

Pol Watchers

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Beshear says little money available for agriculture plan

By Janet Patton

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Farm leaders unveiled an ambitious and likely expensive five-year plan Friday but Gov. Steve Beshear indicated that agriculture might be getting less money, not more.

Beshear said he supports the aims of the Kentucky Agricultural Council's strategic plan but that the budget crisis will make new appropriations difficult and may require dipping into money currently committed to agriculture.

"We're going to have to move slowly in some of the areas that call for immediate funds. But I'm considering some areas where we can take some steps in the short term," Beshear said.

The governor, who will be presenting his budget on Jan. 29 to legislators, said he is "very intent" on keeping the state's allocation of 50 percent of the tobacco settlement monies to the Agricultural Development Board.

"We're looking hard at that as to how we can address that," Beshear said. "This budget situation is so bad, that ever every option has been on the table. ... Everything is still on the table."

The tobacco settlement is projected to pay Kentucky about \$117 million in fiscal year 2008.

Presently, half of that is dedicated statutorily to agriculture, but almost \$16 million is committed to water and sewer project bonds.

The strategic plan recommends gradually transferring that debt service to the state's General Fund.

Other top priorities include:

- Upgrading the diagnostic labs at University of Kentucky and Murray State;
- Addressing the shortage of large-animal vets; Increasing Kentucky Proud marketing efforts;
- Encouraging the Cabinet for Economic Development to look more favorably on incentives for producers and processors of agricultural products;
- Removing sales tax on veterinary pharmaceuticals, and other farm-related tax breaks;
- Dedicating funding to the Purchase of Agricultural Conservation Easements Program;
- Giving experiment stations and university farms money for much-needed maintenance and new programs on crop diversity and biofuels;
- Establishing a renewable fuels standard for using ethanol and biodiesel in state-owned vehicle fleets;
- Streamlining the environmental permitting process;
- And funding the Kentucky Agricultural Heritage Center.

The plan does not include cost estimates.

Since the Ag Development Board was created in 2000, more than \$250 million has been invested in Kentucky farming.

Bills have been filed on some of the strategic plan's issues and Beshear said he will address a few areas in his budget.

One option Beshear may be considering to scrape up money: borrowing the unspent \$20 million the ag development board is sitting on.

"That would not be unprecedented. That has happened in the past," said Roger Thomas, newly appointed executive director of the Governor's Office of Agricultural Policy.

In a similar move in 2004, Gov. Ernie Fletcher borrowed \$17 million, which was repaid by selling bonds.

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Candidate Beshear said he would have a plan B for revenue if casinos didn't pass the Legislature. Isn't it about time we start hearing about that Plan B or do we just keep letting the Governor move money around on his own say. Seems to me this budget is not as bad as new Governor Fletcher faced..could some reporter clear this up?

Posted by: John Meade | [January 26, 2008 at 06:39 PM](#)